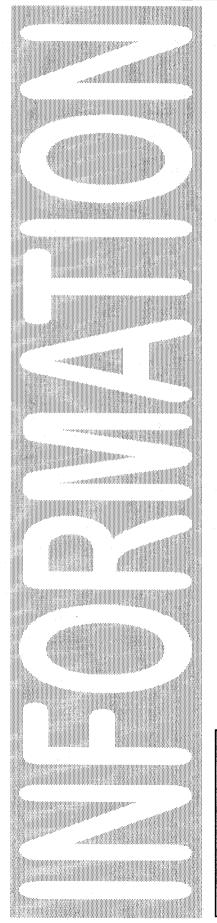


## Co-operatives Act 1996

## Registering as a foreign co-operative



#### **Operating interstate**

Would you like to have members in NSW? Do you want to provide goods or services in South Australia? Without registration in other states and territories, a Victorian co-operative must not advertise for members, provide services, or carry on business in any other State. How will this change under the new Co-operatives Act 1996.

The new Act provides that a co-operative is not carrying on business in another state by merely conducting the following activities in that state:

- being involved in litigation;
- holding internal meetings;
- maintaining a bank account;
- effecting a sale through an independent contractor;
- making an offer which is accepted outside Victoria;
- creating evidence of a debt or charge on real or personal property, or securing or enforcing such debts; or
- conducting an isolated transaction completed within 31 days.

## National Scheme Applicable to Victorian Co-operatives

How will a Victorian co-operative trade interstate under the proposed national scheme?

It is intended that each other state and territory in Australia will adopt very similar legislation to the new Victorian Act. Once the legislation is in force any state or territory which does so is a "Participating State" for the purposes of each state or territory involved.

(Continued on page 2)

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The Federation strongly recommends that each co-operative obtains its own professional advice to ensure that the specific circumstance of the co-operative are taken into account.



# Co-operative Federation of Victoria Ltd

Any registered Victorian co-operative will be able to register with a Participating State relatively simply (section 369). The co-operative must apply to the relevant Registrar by forwarding:

- 1. a certificate (dated not more than 2 months before the application date) stating that the co-operative is complying with the Victorian Act;
- 2. documents/information prescribed by the regulations;
- 3. a copy of the current rules (which meet the required standards);
- 4. a statement of:
  - (1) each person who will act as an agent of the co-operative in that state or territory;
  - (2) the address of the proposed Victorian registered office of the cooperative;
- 5. a copy of a document appointing a resident of that state as an agent of the co-operative for the purpose of service of notices and legal process; and
- 6. the prescribed fee.

The Registrar must be satisfied that the rules meet certain standards. For example the rules must:

- 1. include acceptable "active membership" provisions (Information Sheet 1);
- 2. allow each member only one vote; and
- 3. make adequate provision for matters such as disclosure of information, duties of directors, accounting standards, and the co-operative principles.

Any co-operative registered in Victoria, which proposes to apply to be registered in a Participating State may apply to the Registrar of Co-operatives for a certificate, as outlined above. A co-operative is also able to apply for registration in non-participating States, however the procedure is more complex.

### **Up-dating Information**

Once registered, the co-operative must provide notification of certain changes, and any prescribed documents, within 28 days of such change having occurred. These are changes to:

- the rules:
- the directors;
- agents or their addresses;
- the person nominated to receive notices and legal documents;
- address of the Victorian or home state registered office; and
- name of the co-operative.

Similarly, such a co-operative must, within seven days, give notice to the Registrar of its having ceased to carry on business as a co-operative in Victoria.

In the absence of notification that the co-operative has resumed carrying on business within one year the Registrar must cancel the registration of the cooperative.

The co-operative must also provide annual information, such as the balance sheet, within 6 months of the end of the co-operative's financial year.  $\Box$ 

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